Middle East and North Africa
Corporate Governance Roundtable

From Theory to Practice:
Enabling IODs and Corporate Governance Centers
to Promote Governance in the MENA region

- Meeting Agenda -

22 September 2014
OECD Conference Center
2 Rue André Pascal, 75016
Paris, France

Held in the framework of the MENA-OECD Investment Programme
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**Background and Objectives**

The past decade has seen a tremendous evolution of the institutional framework for oversight of private, listed and state-owned companies in the Middle East and North Africa region, and in parallel, the evolution of not-for-profit organisations established with the aim of promoting good corporate governance practices. The MENA region is currently home to a number of institutes of directors (IoDs) and Corporate Governance Centers (CGCs) with various mandates, affiliation, objectives and levels of development, in addition to multiple governance research institutes at universities. Recent years have also seen the growth of anti-corruption entities, with a common objective to promote integrity private and public companies.

These organisations have led the development of governance standards and principles: a number of the region’s corporate governance codes and recommendations were initiated by the national corporate governance centers and hundreds of directors were trained by the region’s IODs. Having recently been established, many of these organisations are still in the process of developing and professionalising their activities in order to ensure that they address market needs and continue to promote good governance standards in local companies, whether they are private, listed or state-owned.

A review of challenges facing the development of these institutions as beacons of national corporate governance infrastructure reveals several priorities. First, their research capacity requires further development in order to continue raising awareness – supported by rigorous research – of the value creation that good governance practices create. Secondly, linkages between IODs, corporate governance centers and academia on the one hand, and policymakers on the other, could be further reinforced. Thirdly, a better linkage needs to be established between regulations, company practices and investor requirements.

The purpose of this roundtable is to build on the informal links existing between MENA IODs and CGCs and to create a productive ecosystem of these, mostly not-for-profit organisations, with linkages to policymakers, the corporate world, and their peers worldwide. The roundtable will leverage OECD’s recent work in the region, notably on governance of listed companies and state-owned enterprises and will also provide input into the ongoing revision of the OECD Principles of Corporate Governance, which remain an international standard and a source of inspiration for codes and recommendations in the MENA region.

The roundtable will be held according to Chatham House rules and by invitation by the OECD. Invited to attend this discussion will be primarily representatives of MENA IODs, CGCs, anti-corruption commissions, academia and corporate governance practitioners from the region and beyond. It is expected that the roundtable will result in joint initiatives to be pursued by the network of MENA IODs and CGCs which will allow for a better use of limited resources and result in a more visible impact on market practices.

For any questions about the administrative aspects of the roundtable, please contact Katrina Baker (Katrina.baker@oecd.org) or for substantive matters, Alissa Amico (alissa.amico@oecd.org).
8.30-9.00  Registration

9.00-9.15  Opening Remarks

Alissa Amico, Programme Manager, MENA, Corporate Affairs Division, OECD

9.15-10.45 Revision of the OECD corporate governance standards: implications for MENA?

Introductory remarks: Mats Isaksson, Head of Division, Corporate Affairs, OECD

Questions for discussion:

- How can the OECD Principles of Corporate Governance remain a relevant standard of good governance in the MENA region?
- How can the OECD Guidelines on Corporate Governance of State-Owned Enterprises remain a relevant standard of good governance of SOEs in the MENA region?
- What role could corporate governance centers in the region play in further developing national standards or contributing to standard-setting activities of securities regulators, stock exchanges or other relevant entities?
- Has the evolution of national codes and guidelines been adequate and commensurate with the growth of corporates in the region and development of capital markets?
- Do existing standards provide guidance for a variety of local companies, including SMEs, SOEs, banks, etc.? Are sectorial considerations important and have they been taken into account?

Background documents:

OECD Principles of Corporate Governance
Revision of the OECD Principles of Corporate Governance: Issues Note
OECD Guidelines on Corporate Governance of State-Owned Enterprises (Revised Version)
Second Corporate Governance Wave in the MENA region
The Role of MENA Stock Exchanges in Corporate Governance
Towards Better Governance of State-Owned Enterprises in MENA

10.45-11.15  Coffee break

11.15-13.00 Development of IODs and governance centers: sustainability and priorities?

Introductory remarks: Fadi Saab, Chairman, Institute of Directors, Lebanon

Questions for discussion:

- Is the creation of national corporate governance centers important for countries which do not yet have one?
What organisational structure of IODs is most conductive to their effectiveness? (i.e. governmental, private, hybrid, NGO)
What membership development strategies and tools need to be developed and deployed to make IODs sustainable?
How can the funding basis of CGCs and IODs become stable and sustainable?
Is the dialogue with securities regulators and stock exchanges sufficient in order to exchange on policy priorities and stimulate change?
What training as well as research and development priorities are facing MENA IoDs and CGCs and what might be the challenges in delivering on them?

**Background documents:**
Institutional Investors as Owners: Who are They and What Do They Do?
State-owned Enterprises in MENA: Engines of Development and Competitiveness?
Towards Better Governance of State-Owned Enterprises in MENA
The Role of MENA Stock Exchanges in Corporate Governance

**13.00-14.00** Lunch

**14.00-15.30** New topics, emerging concerns: what can IODs and CGCs contribute?

**Introductory remarks:** Ashraf Gamal El Din, CEO, Hawkamah Institute, UAE

**Questions for discussion:**

- What are the substantive governance priorities for research and awareness-raising in the region?
- How is the international governance reform (say on pay, women on board quotas, non-financial disclosure obligations) relevant to the region?
- How can better enforcement of governance breaches by the regulators be fostered?
- How can education and awareness-raising functions be reinforced to make sure IODs and corporate governance centers contribute to the public debate?
- How can linkages with the investment community and regulators be fostered in order to create a stronger demand for well governed companies?

**Background documents:**
Corporate Governance Enforcement in the MENA region
Guide on Treatment of Related Party Transactions in the MENA region
Privatisation and Demutualisation of MENA Stock Exchanges
State-owned Enterprises in MENA: Engines of Development and Competitiveness?
Risk Management and Corporate Governance Peer Review
Direction for future growth and collaboration: towards a MENA IOD network?

Introductory remarks: Béatrice Richez-Baum, Secretary General, European Confederation of Directors’ Associations (ECODA)

Questions for discussion:

- What type of collaboration exists among MENA IODs and Corporate Governance Centers and how can it be strengthened going forward?
- What international models of co-operation might be useful for MENA IODs and CGCs to consider?
- Is a dedicated network of MENA IODs and corporate governance centers useful for the advancement of national and regional priorities?
- What might be the short and long term priorities for such a network (in terms of research, training, awareness raising, etc.)?
- What international partnerships might be useful to develop the substantive areas of IODs and institutes of directors?

Background documents:

Work plans of individual IODs and Corporate Governance Centers
Second Corporate Governance Wave in the MENA region

Summary and next steps

Alissa Amico, Programme Manager, MENA, Corporate Affairs Division, OECD